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FISCAL IMPACT REPORT

ORIGINAL DATE 2/19/07

SPONSOR Feldman LAST UPDATED _____ HB _____

SHORT TITLE Energy Efficient Building Code Provisions SB 981

ANALYST C. Sanchez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$150	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to,

HB677 would make a \$100,000 appropriation to CID expenditure in FY 2008 to train New Mexico residents to install solar energy systems.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy Conservation & Management Division (EMNRD)
 Construction Industries Division (CID)
 Attorney General's Office (AGO)

SUMMARY

Synopsis of Bill

Senate Bill 981 would appropriate \$150,000 to Construction Industries Division for expenditure in fiscal year 2008 to convene stakeholders for development of new building code provisions and to train contractors and inspectors in best practices for energy efficient building construction with the goal of achieving carbon-neutrality by 2030.

SIGNIFICANT ISSUES

Due to the projections for increased environmental impact and continued global warming under current construction practices, there is an increased need to improve the energy performance of buildings. The buildings constructed today will be consuming energy and contributing to global warming for 50 years. Energy consumption in buildings is the single largest contributor to

greenhouse gas emissions that cause global warming.

Training on energy-efficient building construction is needed in New Mexico for contractors, inspectors, and code officials. These key professional groups are becoming increasingly important in post-construction energy efficiency of New Mexico's buildings.

The Construction Industries Division (CID) is in the preliminary stages of launching a "green building" program, in part as a response to Governor Richardson's Healthy New Mexicans Plan for 2007. This program will be designed to develop expertise and new building standards in all aspects of "green building," including reduction of greenhouse gas emissions, gray water and rain harvesting, alternative energy sources and conservation and sustainable building methods and materials.

Currently CID does not have funding for the program, so this legislation would provide the necessary means to implement it.

PERFORMANCE IMPLICATIONS

CID does not currently have green building subject matter expertise. Nor is there a nationally published standard or code specifying green building construction requirements. This appropriation would make it possible for CID to do the research and study necessary to develop reasonable, fiscally feasible standards based on available facts and statistics.

SB 981 provides an opportunity to develop building code provisions that increase energy efficiency in buildings constructed in New Mexico, resulting in reducing energy consumption and environmental impact of greenhouse gas emissions in our state. The energy-efficient building standards will positively impact several state agency performance priorities. The agencies benefiting include EMNRD, New Mexico Environment Department, and public school districts throughout New Mexico. They would be meeting goals to increase energy efficiency, further deploy the use of clean energy, and reduce greenhouse gas emissions.

ADMINISTRATIVE IMPLICATIONS

To administer its green building program, and conduct the necessary research, CID is proposing to create a green building bureau that will be staffed with technical experts in each construction trade and with plan reviewers skilled in residential, commercial and school plan review. The proposed appropriation would be used to staff this bureau.

There will be minimal administrative impact to EMNRD's Energy Conservation & Management Division that would have to provide staff time in its traditional role in providing technical assistance to CID.

RELATIONSHIP

HB677 would make a \$100,000 appropriation to CID expenditure in FY 2008 to train New Mexico residents to install solar energy systems.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

CID will not have the resources to develop green building standards.

CS/mt